

DAILY REPORT

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US ENVOY CALLS FOR IRAN-IRAQ CEASE-FIRE

04250207 Beijing XINHUA in English 0153 GMT 25 Feb 86

[Text] United Nations, February 24 (XINHUA) -- China reiterated its call today to both Iran and Iraq for an immediate ceasefire in their "fratricidal war." The appeal was made this afternoon in the Security Council by Liang Yufan, China's deputy permanent representative to the United Nations. The Council has met three times since February 18 at the request of the Arab countries to consider the Iran-Iraq conflict.

Ambassador Liang told the Council that the Chinese Government is deeply concerned over and disturbed by the recent serious escalation of the war, which has generated a dangerous situation in the Gulf region. The prolonged war over the past five years has inflicted deep wounds on both countries and incurred incalculable losses of life and property on the two peoples, and the peace and stability of the region have been under a serious threat, he said. "We are deeply saddened by all this and worried about the future of the war," he said. "As a friend of both Iraq and Iran, China has consistently advocated ever since the outbreak of the war that it should be ended as early as possible under terms acceptable to both sides and their differences should be settled through peaceful negotiations."

He expressed China's view that the international community should make even greater efforts in bringing an end to the conflict. China supports all proposals that are conducive to the achievement of a fair, reasonable and peaceful settlement of the disputes between the two countries based on the principles of international law. China is ready to make its positive contributions in the respect, he added. "We want to point out emphatically that as the main international organ responsible for the maintenance of international peace and security, the Security Council is duty-bound for the peaceful settlement of the disputes between Iran and Iraq," he said. He also expressed China's full support for the efforts of the U.N. secretary-general in using his good offices to mediate between the two warring parties.

RENMIN RIBAO URGES STABILIZATION OF OIL PRICES

0420724 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 21 Feb 86 p 6

["Short" commentary: "Make Common Efforts To Stabilize Oil Prices"]

[Text] The world oil market has been marked by upheavals in the past 2 months. Oil prices continue to drop. If something goes wrong, another global oil shock will probably occur. Tumbling oil prices have greatly affected the world and the economies of all countries. How to reverse the confusion in the oil market and to curb the continuous drop in oil prices have become matters of great concern to many countries and people in economic circles.

As a commodity traded on a global scale, oil involved numerous countries, and it is an important economic lifeline for some. The history of the past decade and more has shown that a steep rise or fall in crude oil prices will not only directly affect oil producing or importing countries, but also bring upheaval to the world economy. Over the past 2 months, the price of crude oil has tumbled 50 percent. If the price continues to drop from the current level of \$15 to \$10 a barrel, this will cause catastrophic losses to many countries, especially Third World oil producers. In some countries, losses in oil are linked to their serious debt problem. This is a latent danger presaging the outbreak of a financial crisis.

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OPEC INTERNATIONAL AFFAIRS
GENERAL

Since OPEC seized back from the hands of Western monopoly oil companies the right to set oil prices in 1973, the situation in which Third World oil producers were exploited and controlled has been completely changed. Since the emergence of production of crude oil by many countries and supply exceeding demand in recent years, OPEC has also expressed its readiness to consult with non-OPEC oil producers in order to jointly maintain and stabilize oil prices. It has repeatedly called on non-OPEC oil producers to make joint efforts to stabilize oil prices. This is undoubtedly a rational and effective solution to the problem. At the Vienna meeting early this month, Arturo Hernandez Grisanti, president of the current OPEC special committee and Venezuelan energy and mines minister, explicitly pointed out that both OPEC and non-OPEC oil producers should strive to prevent an oil price war detrimental to all.

Now, a steep fall in oil prices has temporarily suspended spot dealings in British North Sea crude oil. OPEC, particularly its major oil producer Saudi Arabia, has also started to control output in order to stabilize and bring up oil prices.

Numerous signs show that the world economy, particularly the economies of developing countries, will face a grim situation in 1986. Preventing various unstable factors, such as a steep fall in oil prices, from further damaging the world economy, and working together with one heart in times of difficulty benefits the economic development of all countries. We hope that oil exporting the importing countries, and oil producers who are both members and nonmembers of OPEC, will, on the basis of showing mutual concern for each other's interests, engage in dialogue and consultations and work together to stabilize oil prices at a rational level. This will greatly help the stability and development of the world economy.

AMBASSADOR HAN XU SPEAKS ON FOREIGN POLICY

06251106 Beijing XINHUA in English 1036 (MT 25 Feb 86)

[Text] Binghamton, New York State, February 24 (XINHUA) -- Chinese Ambassador to the United States Han Xu said here today that independence is the cornerstone of China's foreign policy of peace. Speaking this morning at the Harper Forum, a well-known organization in Binghamton, attended by 150 leading businessmen and professionals, the ambassador said that this policy means that China will never ally itself or establish strategic relationships with any big power. It will work for world peace and against hegemonism and firmly side with Third World nations.

He told the audience that some people in the United States mistook this Chinese policy and thought that China was playing the United States off against the Soviet Union or vice versa. "This is absolutely not true. China will not play the U.S. card or the USSR card. Nor will it allow others to play the China card," he stressed, adding "we have no intention of straining our relations with either superpower, nor do we wish to see relations between them strained."

He said that the Chinese people in their modernization drive ardently desire a long-term peaceful international environment. At present, the Chinese ambassador said, the strength of the peace-loving forces has outstripped the growing strength of those bent on war. International tension has been easing in the past year, as the relationship between the superpowers has switched from one of confrontation to at least a blend of confrontation and dialogue. "But to achieve a genuinely relaxed environment in the world, Washington and Moscow should, through conscientious efforts, reach an agreement that could lead to drastic slashes of their nuclear arsenals and stop their arms race from entering outer space," he said. Han Xu pointed out that a genuine world peace could only be secured through the concerted efforts of peace-loving people around the world.

Invites Foreign Investment

06250934 Beijing XINHUA in English 0908 (MT 25 Feb 86)

[Text] Binghamton, New York, February 24 (XINHUA) -- The Chinese Ambassador to the United States Han Xu said here today that China's on-going economic reform, designed to transform a 'sealed' economy into an open one with active participation in international exchanges, offers a good opportunity for foreign investors to do business in China.

Addressing a conference on U.S.-China trade and business in Binghamton, New York, Han said that China has recently announced a set of new regulations on the foreign currency balance of equity joint ventures to further improve the country's investment climate. For example, the new policy stipulates that if a joint venture approved by national or local authorities is running a deficit, the department concerned may draw on the foreign exchange reserves of all equity joint ventures under its administration to help out that particular enterprise. If import substitution is approved by national or local authorities, domestic sales at international prices will be encouraged and foreign currency will be made available by the authorities to enable the ventures to keep a balance in foreign currencies.

Han described these new regulations as part of efforts to build an economy that encourages the establishing of private and collective enterprises, joint ventures and companies exclusively owned by foreign investors. Han said that from 1979 to the end of last September, the foreign capital used in China totaled more than 20 billion dollars and that 1,897 Chinese foreign equity joint ventures, 1,408 contractual undertakings and 109 exclusively foreign owned enterprises were set up.

The United States is taking the lead in the investment drive. It has committed some 1.5 billion dollars to a variety of joint ventures, including offshore oil drilling, coal mining and co-production of passenger airplanes.

In his speech, at the conference David E. Diebold, deputy assistant secretary for trade development at the U.S. Commerce Department, said that last year China became the 16th largest U.S. trading partner with two way trade totaling over eight billion dollars. This year, "we project our two way trade at over nine billion dollars," he said. Diebold foresees a steady increase in trade and economic cooperation between China and the U.S., since China's Seventh Five-Year Plan (1986-1990) "reaffirms China's commitment to economic reform and open door policies," he said. To facilitate exports of high technology to China, he added, the U.S. Government has further liberalized its technology transfer policy with regard to China. The 2-day conference is sponsored by the State University of New York in association with other business institutions including the U.S. Small Business Administration.

JOINT MARINE SURVEY SHIP WELCOMED TO GUANGZHOU

00241107 Beijing XINHUA in English 1032 GMT 24 Feb 86

[Text] Guangzhou, February 24 (XINHUA) -- Xiangyanghong No 14, a weather research ship, returned to Guangzhou today after a voyage through the western Pacific Ocean of more than 15,000 nautical miles. Amid the sound of firecrackers, gongs and drums, the crew of the joint Chinese-U.S. survey ship were welcomed with dances and flowers presented by young pioneers at Huangpu Harbor. Present at the harbor were leading members of the State Bureau of Oceanography and Guangdong Province as well as officials of the Guangzhou U.S. consulate. Addressing the welcoming ceremony, Chen Jiahong, deputy director of the State Bureau of Oceanography, said the Chinese and U.S. scientists had obtained a large amount of valuable specimens and data and he pronounced the trip a success. Chen said the survey, the first in a four-year Sino-U.S. project, would provide information for understanding global weather patterns and promote global weather research including the development of China's marine science. Following the ceremony, the State Bureau of Oceanography held a press conference at which the Chinese and U.S. scientists gave a brief account of the survey.

The Chinese ship left Guangzhou for the western Pacific December 12, 1985. During the trip, the ship called at Honolulu, Hawaii, and Papeete, Tahiti and passed over the equator four times. During the 75-day voyage, the Chinese and U.S. scientists did research at 251 observation spots and set up eight observation buoys for automatically recording marine environmental data in the western Pacific.

PHILIPPINES' MARCOS URGED TO STEP DOWN

00241557 Beijing XINHUA in English 1508 GMT 24 Feb 86

[Text] Washington, February 24 (XINHUA) -- The U.S. Government today urged Philippine President Ferdinand Marcos to step down and transfer his power to a new government.

In an official statement, White House spokesman Larry Speakes said: "We've never called for a transition before. This is now." "Attempts to prolong the life of the present regime by violence are futile. A solution to this crisis can only be achieved through a peaceful transition to a new government," Speakes said.

He noted that U.S. officials had received "disturbing reports of a possible attack" by forces of President Marcos against rebelling forces led by former Philippine Defense Minister Juan Ponce Enrile and Deputy Armed Forces Chief of Staff Fidel Ramos, who expressed their support for opposition candidate Corason Aquino and demanded that Marcos step down. "We urge those contemplating such action to stop," he said, adding, "President Marcos has pledged to refrain from initiating violence and we appeal to him and those loyal to him and all other Filipino people to continue to do so."

According to U.S. congressional sources, the United States yesterday offered Marcos the use of a U.S. military jet to flee from his country, but State Department officials revealed that Marcos had not taken up the offer. The sources told reporters that special envoy Philip Habib would return to the Philippines early today to "help arrange a transfer of power."

OFFICIALS NOT OPTIMISTIC ON MIDDLE EAST PEACE

02212016 Beijing XINHUA in English 1986 (ZNT 21 Feb 86)

[Text] Washington, February 21 (XINHUA) -- Senior U.S. officials have indicated that they are not optimistic about future progress of the Middle East peace process following the breakdown of a year-long joint peace effort by Jordan and the Palestinian Liberation Organization (PLO). According to THE NEW YORK TIMES, the officials said there was uncertainty here about whether U.S. President Ronald Reagan's Middle East proposal of September 1982 could still serve as the basis for negotiations, or whether some new blueprint has to be worked out.

King Hussein of Jordan announced Wednesday that he has ended his efforts to work with the PLO toward a joint Middle East peace initiative because of PLO failure to live up to earlier assurances to him. On February 11, 1985, Jordan and the PLO announced a new negotiating formula and agreed to form a joint Jordanian-Palestinian delegation to begin talks with the United States and Israel. The U.S. State Department said yesterday that the breaking off of Middle East peace efforts now requires that there be "an indefinite period of reflection" by all sides on what to do next. However, the spokesman, Charles Graham, said the United States has no new plans to offer on how to advance the Middle East peace talks.

"All parties will now have to find another basis to move toward the unfinished imperative of a negotiated peace, including a resolution of the Palestinian problem," he added. The U.S. officials quoted by THE TIMES said that the Middle East peace process is not dead, but this latest turn of events will force "a total re-evaluation" of American efforts to revive the stalled Middle East peace process.

The United States has been pressing the PLO to accept U.N. Resolutions 242 and 338 as the precondition for PLO participation to an international conference on Middle East. The resolutions call for Israeli withdrawal from Arab territories occupied in their 1967 war in return for Arab acceptance of Israel's right to exist. The PLO, however, said it would accept the American terms only if the United States agreed to recognize the legitimate right of Palestinian "self-determination". Washington, however, has refused to recognize Palestinian self-determination, and refuses to negotiate directly with the PLO, although it issued a carefully worded declaration earlier this month saying only that the United States regards the Palestinian problem as "more than a refugee question" and acknowledges "the legitimate rights of the Palestinian people."

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THE INTERNATIONAL AFFAIRS
SOVIET UNION

02

"MAJOR" PERSONNEL CHANGES PRECEDE 27TH CONGRESS

00220748 Reiling KINHA in English 0729 GMT 22 Feb 86

["Headline: Major Personnel Changes Before Soviet Party Congress (by These Times)"] -- KINHA headline]

[Text] Moscow, February 22 (KINHA) -- Despite a spate of personnel changes which have been made since Mikhail Gorbachev became Soviet Communist Party leader last March, the party Central Committee is expected to be further reshuffled at the 27th national congress due to open next Tuesday.

Former Moscow City Party Chief Viktor Grishin, 71, joined former Prime Minister Nikolai Tikhonov and Grigori Yavlinskiy when he was dropped from the senior ranks of the Politburo at a plenary meeting of the party's Central Committee last Tuesday. With these three leaving the Politburo, new Prime Minister Nikolai Ryzhkov, Foreign Minister Eduard Shevardnadze, Chairman of the State Security Committee Viktor Chebrikov and party organizer Yegor Ligachev have all become full members of the ruling 11-man Politburo. With these changes, of the 14 full members of the Politburo elected by the Central Committee of the 16th party congress, only Mikhail Gorbachev, Andrei Gromyko, Vladimir Shcherbitskiy and Nisakhmed Khazretov remain. The other 10, including Leonid Brezhnev, Yuriy Andropov and Konstantin Chernenko, have either died or retired.

In the past few months, of the 14 republics of the Soviet Union, all except the Russian Federative Republic, have convened their party congresses and elected their new party leaders. First party secretaries of Tajikistan, Kirghizia and Turkmenistan have been replaced. More than a quarter of the party chiefs in 157 regions of the country have lost their posts. Many senior officials have been punished because of serious mistakes or illegal actions such as "corruption," "nepotism" and "bribe-taking." Most of the newly elected party officials are younger than their predecessors. Since more than one-third of the Central Committee's 114 full members chosen by the last congress in 1981 have died or retired, many young, pro-reform and competent people will likely be promoted to take their places. Whether any spectacular personnel changes will take place in the Politburo or the Secretariat remains to be seen after a new Central Committee is elected.

Congress Opens in Moscow

00250839 Reiling KINHA in English 0739 GMT 25 Feb 86

[Text] Moscow, February 25 (KINHA) -- The 27th Soviet Communist Party Congress, the first since Mikhail Gorbachev became leader of the party, opened here this morning. The nine-day congress will discuss and adopt a new edition of the party program and amendments to the party rules, and ratify a long-term economic plan for the nation. The party program was drawn under Nikita Khrushchev in 1961.

The opening day of the congress, will be devoted to a lengthy "political report" read by Gorbachev to review the party's work since the last congress five years ago and to restate the Soviet Government's domestic and foreign policies. Soviet premier Nikolai Ryzhkov will report to the congress on the country's economic plan on March 1. Another major item on the agenda of the congress is to elect a new Central Committee of the party.

Attending the congress were more than 1,000 Soviet delegates and over 150 foreign delegations. Guests of foreign social-democratic parties were invited for the first time to the Soviet party congress. The Soviet Communist Party congress is held every five years. Since the previous gathering in 1981, three party general secretaries, Leonid Brezhnev, Yuriy Andropov and Konstantin Chernenko, have died.

Academy Supports Schools

[Text] Manila, February 25 (XINHUA) -- Rebel Gen. Fidel Ramos this morning announced on a telecast live to over 85 percent of the Philippine Armed Forces have turned over to their side. The units that joined the "New Philippine Armed Forces" included the Philippine Military Academy and all its 770 cadets and some air divisions.

Diplomats Urge Resignation

[Text] Paris, February 24, (KINHSA) -- Ambassador Felipe Mahilagen and 11 staff members of the Philippine Embassy in Paris Monday urged President Ferdinand Marcos to avoid bloodshed and heed the demand for a peaceful transition." A statement signed by the ambassador and his 11 colleagues said, "every patriotic Filipino must rally to the present overwhelming desire for change in the best interests of the country and the people." The statement added, "We are fully convinced that the legitimate will of the people is for President Marcos to heed the demand for a peaceful transition to prevent bloodshed among our countrymen."

The embassy statement breaking with Marcos follows similar defections by diplomatic representations abroad, among them the Philippines ambassador in West Germany and two consulates in the United States. Joining other Filipino diplomatic offices abroad, the Philippine Embassy to the European Community on Monday announced it was no longer loyal to President Ferdinand Marcos.

Negative Sworn In

[Text] Manila, February 25 (RISMA) -- Ferdinand Marcos today took his oath of office for his fourth tenure as president of the Philippines at noon in the presidential palace's ceremonial hall. He was sworn in by Chief Justice Ramon Aquino in the presence of some 1,000 people. "Let us proclaim to the world that we will preserve, promote and protect constitutional government in our country," Marcos said in his short inaugural address. The ceremony lasted only about 20 minutes.

His running mate Arturo Tolentino did not show up at the inauguration. The first lady and their daughters Inez and Irene and their son Ferdinand Marcos Jr. were present on the occasion. Only eight of the Cabinet members attended the ceremony.

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PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

Aquino Names Cabinet Members

06250739 Beijing KINREX in English 0709 GMT 25 Feb 66

[Text] Manila, February 25 (KINREX) -- Opposition leader Corason Aquino was proclaimed "president-elect" of the Philippines this morning at a meeting held here by anti-Marcos forces at the Philippine Club. Salvador Laurel was proclaimed "vice president-elect" at the same meeting. Mrs. Aquino announced the appointments of some of the members of her "Cabinet". They include:

Salvador Laurel: Prime Minister

Juan Ponce EL. 11c: Minister of Defense

Fidel Ramos: Chief of Staff of the Philippine Armed Forces. He was promoted in rank from lt. general to full general.

After an oath-taking, both Mrs. Aquino and Mr. Laurel spoke at the meeting, calling on the Philippine people "to unite and cooperate with the new government". The ceremony was broadcast but not telecast live as scheduled for technical reasons.

VIETNAM STEPS UP RESETTLEMENT TO MOUNTAIN AREAS

06241038 Beijing KINREX in English 1037 GMT 24 Feb 66

[Text] Hanoi, February 24 (KINREX) -- The Vietnamese Government is stepping up its resettlement plan in the country, according to local press reports. It was reported that more than 1.3 million people have moved from the plains to western and northern mountain areas within the recent two years. Major resettlement areas have been in the provinces inhabited by minority nationalities, such as the Dai Lac and Di Lai-Kim Thon Provinces, whose total population has increased from 300,000 to 700,000.

According to a Vietnamese official plan, 650,000 people will move to the mountainous and hilly areas this year. The number of people moving from Hanoi, the capital of Vietnam, to the "new economic regions" will grow to more than 16,000 from 7,500 last year. Observers here held that Vietnam's plan was part of its efforts to resolve the jobless problem and to tighten the control of mountainous areas.

DK RADIO REPORTS PHNOM PENH TROOP MUTINY

06220935 Beijing KINREX in English 0924 GMT 22 Feb 66

[Text] Beijing, February 22 (KINREX) -- A regiment of Phnom Penh troops Thursday mutinied against Vietnam after killing 14 Vietnamese soldiers and destroying an ammunition depot and a warehouse of supplies.

Radio Democratic Kampuchea reported today that the rebel troops were assigned to guard a Vietnamese training center dubbed "Aco" in Kompong Speu Province, some forty kilometers west of Phnom Penh. The center is the city of Kompong Speu, a strategic town on Highway No. 4 linking the country's capital and Port Kompong Som, was attacked by guerrillas on February 8, inflicting heavy casualties on the Vietnamese the radio said.

SUPREME COURT PRESIDENT MEETS THAI COUNTERPART

06241748 Beijing KINREX in English 1618 GMT 24 Feb 66

[Text] Bangkok, February 24 (KINREX) -- The president of Thailand's Supreme Court, Phinso Thiranitti, met today with his Chinese counterpart Zheng Tianxiang, who is on a visit here.

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Zheng the president of the Supreme People's Court of China, said during the meeting that such visits will promote mutual understandings and cooperation between the judiciaries of the two countries. The two sides agreed to further strengthen ties between the judicial circles of their countries. Zheng and his delegation arrived in Bangkok on February 22.

THAI MILITARY SPOKESMAN CITED ON BORDER SITUATION

04202015 Beijing XINHUA in English 1970 GMT 20 Feb 66

[Text] Bangkok, February 20 (XINHUA) -- At least two divisions of Vietnamese troops have been deployed in Kampuchea's border areas adjacent to Thailand's Ubon Ratchathani Province and they have made repeated incursions into Thai territory. This was disclosed by General Wichit Bunyaveat, spokesman for the Supreme Command of the Thai Armed Forces, at a press conference here today while reviewing the latest situation along the Thai-Kampuchea border.

According to the information made public today by the Supreme Command, between January 23 and February 19, Vietnamese troops shelled or intruded into Thai territory on 44 occasions, killing 11 Thai soldiers and civilians and wounding 19 others. Thai army spokesman Narudon Detpradiyut told reporters that on February 13 a platoon of Vietnamese troops intruded into the strategic Bo Hill Pass area in Nan District Ubon Ratchathani Province. The Vietnamese were forced to quit their position in Thailand under heavy strike by the Thai Air Force, he said. Narudon said that the Vietnamese had completed a seven-kilometer blockade line in Kampuchea adjacent to Thailand's Ta Phraya District. The Vietnamese troops in Kampuchea, he said, were placing landmines and setting up road barriers and wire entanglements in areas bordering Ta Phraya district of Prachin Buri Province, Sam Krut District of Surin Province and Sangkhla District of Surin Province in Thailand.

A spokesman for the Thai Marines stationed in Chanthaburi and Trat Provinces said that the Kampuchean resistance forces, while sabotaging Vietnamese military transportation lines, had sent troops in small groups to attack strategic Vietnamese positions along the border. He disclosed that not long ago the resistance forces took height 789 held by the 109th division of the Vietnamese troops adjacent to Bur Kae District of Trat Province. The resistance forces shot dead two Vietnamese and wounded a number of others during the fighting.

SINO-PAKISTAN BOUNDARY INSPECTION NOTES SIGNED

06240846 Beijing XINBUA in English 0839 GMT 24 Feb 86

[Text] Beijing, February 24 (XINBUA) — The notes of the first session of the China-Pakistan Joint Boundary Inspection Committee was signed here today. During the session which was held here from February 14 to 24, the two sides, through friendly consultations, reached agreement on the task and working plan of joint inspection.

The notes were signed by Xu Guangjian, deputy director of the Law and Treaty Department of the Foreign Ministry and chief representative of the Chinese side of the committee, and Maqbool Ahmad Bhatti, Pakistan ambassador to China and chief representative of the Pakistani side of the committee.

PAKISTAN'S JUNEJO RECEIVES DELEGATION

06221945 Beijing XINBUA in English 1923 GMT 22 Feb 86

[Text] Islamabad, February 22 (XINBUA) — Pakistani Prime Minister Muhammad Khan Junejo today expressed the desire to further strengthen the cooperation between Pakistan and China in the fields of science and technology. The prime minister made his remarks in Rawalpindi, where he received a Chinese scientific and technical delegation led by Gao Shuyan, vice-chairman of the State Science and Technology Commission.

Earlier today, Gao Shuyan and M. Masihuddin, secretary of Pakistan's Science and Technology Ministry, signed the seventh protocol on scientific and technical cooperation between their two countries. The protocol was developed in accordance with the bilateral agreement on scientific and technical cooperation concluded in Beijing in May 1976. Under the protocol, Pakistan will co-operatively undertake 8 new developments proposed by the Chinese for 1986-87. In turn, the Chinese will undertake 7 new programs proposed by Pakistan.

The Pakistani items include a study of farm production, cotton and poplar cultivation, agricultural research, railway technology, and the manufacturing of surgical appliances while the Chinese programs include mineral research, oil exploration, a river delta survey, a study of the textile and chemical industries, cultivation of tree saplings and the manufacture of radio transmitters. The Chinese delegation, which arrived here on February 17, is expected to leave for home tomorrow.

BANGLADESH MAINTAINS NEUTRALITY ON PHILIPPINES

06241735 Beijing XINBUA in English 1500 GMT 24 Feb 86

[Text] Dhaka, February 24 (XINBUA) — The Bangladesh Government said today it welcomes whatever decision is made by the Philippine people, but refused to comment directly on President Ferdinand Marcos or opposition leader Corason Aquino. In a telephone interview with XINBUA, Foreign Minister Hamdun Rashid Chowdhury said "we welcome any decision made by the Philippine people and have every good wish for them."

Asked to comment on the reported swearing-in tonight of Mrs. Aquino as president, the Bangladesh foreign minister said only "it is an internal affairs of theirs and we wish things there to go well." Political developments in the Philippines have been a focus of attention in both the press and local political circles in Bangladesh for the last few months.

NORWEGIAN FOREIGN MINISTER MEETS WITH WU XUEQIAN

06221646 Beijing XINHUA in English 1618 GMT 22 Feb 86

[Text] Beijing, February 22 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and his Norwegian counterpart Svem Stray today expressed their hope for expanded economic and technical cooperation between the two countries on a long-term and steady basis. The occasion was the banquet given by Wu in honor of Stray and his party who arrived in Beijing this afternoon.

Wu said that the friendship and cooperation between the two countries have reached a new level. The trade volume between the two countries, Wu said, has increased by a fairly big margin for the past two years, and the bilateral cooperation in energy development, shipbuilding and ocean shipping has also yielded fruitful results. Wu believed that Stray's current visit would make fresh contributions to developing the friendly relations and expanding cooperation between the two countries on a long-term and steady basis.

On the question of preserving peace essential to the fate of humanity, Wu said that all countries, big or small, have the right to express their own wishes and demands and can make their own contributions. "China appreciates the efforts of both Eastern and Western European countries to relax international tension, avert war and safeguard peace," Wu said. "China and Western Europe need to further strengthen their cooperation, which constitutes an important stabilizing factor in the present international situation."

Stray described the present international situation as far from bright. He said, to bring about a more peaceful and stable international situation, an active and determined effort to seek balanced and verifiable disarmament is necessary. He expressed his appreciation for the priority that China accords this vital aspect of international politics. Stray said the relations between Norway and China are long-standing and very good. The scope and fields of cooperation between the two are steadily growing. He believed that transfer of technology in certain key industries may become an interesting area of economic cooperation between Norway and China. "The priority presently accorded in China to energy and transportation, for example, fits in well with the Norwegian experience," he pointed out. According to sources here, Stray will sign an agreement on avoidance of double taxation during his stay in China.

Yaeto Zhao Ziyang

06251333 Beijing XINHUA in English 1313 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Chinese Premier Zhao Ziyang said today that China will steadfastly continue on the path of reform, although it should be carried out step by step and stage by stage. Zhao was speaking at a meeting with visiting Norwegian Foreign Minister Svem Stray here this afternoon. The premier said that China had successfully carried out its Sixth Five-Year Plan (1980-1985) for economic and social development. The reform as a whole is proceeding smoothly and the year 1986 will see a steady growth of the Chinese economy, he added. Although no major measures have been planned for reform this year, he said, the achievements of last year's reform should be consolidated while preparations have to be made for bigger moves in future reform. He pointed out that China's present drive against unhealthy tendencies by no means indicates that anything has gone seriously wrong with the reform.

While investigating the domestic economy and opening to the outside world, Zhao said, China has to take measures to check the spread of some unhealthy tendencies, strengthen its legal system and carry out a long-term struggle against economic crimes. The redress of bad social conduct and crackdown on economic crimes do not conflict with reform, but will ensure a sound development of the reform over the long term, he emphasized.

He also expressed satisfaction with the development of Sino-Norwegian relations in recent years. He said he was confident that there are broad prospects for the development of economic and technical cooperation as well as trade between the two countries. Stray replied that his current visit has been useful and interesting. His talks with the Chinese side indicated that there is great potential for developing economic relations between the two countries, and that they share identical or similar views on some important international issues.

WU XUEQIAN RECEIVES ITALIAN MINISTRY OFFICIAL

06241448 Beijing XINHUA in English 1434 GMT 24 Feb 86

[Text] Beijing, February 24 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met here today Renato Ruggiero, director general of the Italian Ministry of Foreign Affairs. In their conversation, they agreed that China and Italy had maintained friendly relations and shared similar or identical views on many major international issues.

He also noted that trade between the two countries had grown fairly fast since 1981. They also exchanged views on international issues of mutual concern. Ruggiero arrived here last Saturday.

SPANIARDS MARCH AGAINST NATO MEMBERSHIP

01240830 Beijing XINHUA in English 0753 GMT 24 Feb 86

[Text] Madrid, February 23 (XINHUA) -- Hundreds of thousands of people demonstrated here today to urge Spain to get out of the North Atlantic Treaty Organization (NATO), three weeks away from a nation-wide referendum on Spain's membership of NATO. The referendum, which is to be held on March 12, will be the first joint action taken by the parties calling for "no"-vote and peace organizations.

The demonstration starting at midday lasted about two hours. Holding banners and shouting anti-NATO slogans, the demonstrators surged to Columbus Square from the main streets of the city. Taking 300 buses and 10 special trains, more than 25,000 people from other parts of Spain got to the capital for the gathering. In Columbus Square, the organizer read a statement which advocated that Spain should remain neutral. The statement called on the people to say so in the March 12 referendum "for the benefit of the world and the human-beings".

A representative from the United Kingdom Campaign for Nuclear Disarmament spoke at the meeting in support of the demonstration. Spain will start pre-referendum campaigning tomorrow. An opinion poll by the Governmental Society Research Center shows that 11 percent of the electorate were against continued membership, 27 percent were in favor, and the rest abstained or were undecided.

FORMER HAINAN OFFICIAL REMOVED AS NPC DEPUTY

06221620 Beijing XINHUA in English 1612 GMT 22 Feb 86

["Scandal Official Removed as NPC Deputy" -- XINHUA headline]

[Text] Guangzhou, February 22 (XINHUA) -- Lei Yu, a former high-ranking Hainan Island official involved in a scandal, was dismissed today from his post as deputy to the National People's Congress. The decision was made at today's meeting of the Standing Committee of the Guangdong Provincial People's Congress.

Meanwhile, 48-year-old Neng Qingping, a leading Hainan official, was elected to replace him.

Lei Yu, former Communist Party vice-secretary of the Hainan Administrative Region and head of the Hainan People's Government, committed serious mistakes in re-selling imported motor vehicles and other goods. He had been removed from all his local official posts.

LEGAL DEPARTMENTS ENCOURAGED TO 'PROTECT' PEOPLE

06241013 Beijing RENMIN RIBAO in Chinese 14 Feb 86 p 5

[Article by Wang Guowu: "The Functions of the Political and Legal Departments Should Develop With the Development of the Situation"]

[Text] The CPC Central Committee Secretariat has decided to regard political and legal work as one of the four aspects of work that should be satisfactorily grasped in 1986. It pointed out: The functions of our political and legal departments should develop with the situation. First, these departments should protect the lives, property, and legitimate rights and interests of the people; and second, they should crack down on the small number of criminals who undermine the public security in our society and prevent various crimes. According to dialectic materialist views, we should regard the functions of our political and legal departments as something developing and changing rather than as something remaining always unchanged. We should put the function of protecting the people first. These are extremely important guiding thoughts for the work of our political and legal departments.

What situation does our political and legal work face at present? First, class struggle is no longer the principal contradiction at home. As the exploiting classes have already been wiped out, and as most of the members of the exploiting classes have already been reformed, the number of people over whom we are to impose a dictatorship and the scope of that dictatorship have been reduced; the scope of democracy has been expanded. However, "there are still counterrevolutionaries, enemy agents, criminals and other bad elements of all kinds who undermine socialist public order, as well as new exploiters who engage in corruption, embezzlement, speculation, and profiteering; such phenomena cannot all be eliminated for a long time to come." ("Selected Works of Deng Xiaoping," p 155) Therefore, within a certain scope there is still class struggle, and we must continue to adhere to the people's democratic dictatorship. Second, the focus of the party's and state's work has already switched to socialist modernization. This is the most important political task now, and all our work, including legal work, must be subordinate to and serve this key task.

Situations determine tasks. The new situation determines that the functions of our political and legal departments should develop and their methods of struggle should change.

First, as the scope of dictatorship has been reduced, the functions of our political and legal departments in applying revolutionary violence to carry out suppression has correspondingly been reduced.

Second, as the scope of democracy expands, the function of our legal departments in protecting the people's democracy has also correspondingly expanded.

Third, first priority has been given to the administrative function of the state power of the people's democratic dictatorship, in other words, the function of organizing the construction of the socialist material civilization. The work of our political and legal departments must be adapted to this.

Fourth, the method of the struggle has switched from mass political campaigns to applying legal weapons in cracking down on criminals, protecting the people, and defending and promoting socialist economic construction. All the work of our political and legal departments should be kept within the orbit of our legal system; these departments should carry out their activities within the scope allowed by our Constitution and law.

Under the current situation, our struggle against various kinds of anti-socialist elements is already "different from the struggle of one class against another in our history (it is already impossible for these elements to form an integrated class). However, this continues to be a kind of class struggle in a special form." ("Selected Works of Deng Xiaoping" p 155) This special form of class struggle is seen mainly in various kinds of serious political and economic crimes other criminal activities, and in the struggle to crack down on these activities. However, the division between different classes is not so clear; therefore, it is even more necessary to strictly distinguish between contradictory categories and between crime and noncrime in order to accurately and vigorously crack down on various kinds of criminals while protecting innocent citizens from criminal punishment. In particular, we should implement the principle of imposing strict discipline among our policemen and allow no one to "exploit the revolutionary violence and dictatorship to violate law and discipline." ("Collected Works of Lenin," Vol 29, p 137)

Protecting the democratic rights and legitimate interests of the masses and politically giving play to their initiative in the four modernizations are important tasks of the political and legal departments. In order to build socialist democracy, the CPC Central Committee has reviewed our previous experiences and lessons, adopted correct measures of turning democracy into a system, and established the legal system, and scored great achievements. Our country's Constitution stipulates the basic rights of citizens. In our criminal law, there is a specific chapter on crimes and on punishment for the crimes of encroaching on the personal and democratic rights of our citizens. Our criminal procedure guarantees citizens rights and grants the procuratorial organs the power to investigate crimes encroaching on citizens democratic rights. The law on the organization of people's procuratorates again stipulates: "The people's procuratorates protect, in accordance with the law, citizens rights to file charges in court against government workers who have violated the law, and affirm the legal responsibility of those who have encroached on the citizens personal, democratic, or other rights." By so doing, we have initially established a system of law consisting of the Constitution, criminal law, criminal procedure law, and the law of the organization of the people's procuratorates to protect people's democratic rights. The duties of the political and legal departments are to earnestly implement the provisions of these laws in accordance with the principle of following all the promulgated laws, being sure to implement the law strictly, and being sure to punish all those who have violated the law. By so doing they will make widespread people's democracy a reality.

In order to ensure democracy, we must overcome the erroneous idea that pits democracy against dictatorship. Just as Comrade Ye Jianying pointed out in one of his speeches: Some of our comrades become very nervous as soon as democracy is mentioned and fear that it will mean a deviation from the proletarian dictatorship. They do not know that the proletarian dictatorship is indeed the proletarian democracy and is the most widespread and most genuine democracy in human history, because the dictatorship is only carried out against the exploiting classes who are against it. All other people are ensured the enjoyment of unprecedented democratic rights. The development of democracy can make up for the defects of our political and legal organs in performing their functions of dictatorship. Comrade Zhou Enlai pointed out long ago: "Although the power of dictatorship is established on the foundation of democracy, this power is fairly centralized and fairly great. If we handle it satisfactorily, we are apt to neglect democracy. We can refer to Soviet historical experience. Therefore, we should always be on our guard and often pay attention to enlarging democracy. This is of essential significance." ("Selected Works of Zhou Enlai" Vol 2, p 207)

The development of our socialist economic construction urgently requires the guarantee of law. In accordance with the demand of the development of the situation and the demand of our economic construction, the focus of the construction of our legal system has already switched to gradually formulating and perfecting our civil, economic, and administrative laws and regulations. We should also have corresponding laws of procedure to guarantee the implementation of these laws and regulations. The work of all our political and legal departments is directly or indirectly related to our economic construction. In addition to cracking down on crimes, safeguarding our public security, and ensuring a stable environment for the implementation of our four modernizations program, we have much work to do. In addition to strictly and satisfactorily doing the public security administrative work, our public security organs should also facilitate mutual aid between our urban and rural areas and exchanges between China and the world and enliven our economy. The activities of our people's courts in handling civil and economic cases directly readjust various kinds of economic and personal relationships and thus have a direct bearing on the immediate interests of the state's construction and the people. The spearhead of the economic procuratorial work of our people's procuratorates is directed at various kinds of economic crime; this work is aimed at protecting the safety of the property of the state and collective and safeguarding socialist economic order. The law and discipline inspection work of our people's procuratorates is in the main to combat the activities of our state workers who have violated law or discipline and to protect the legitimate rights and interests of the masses from encroachment. The civil judiciary and supervisory work of our people's procuratorates ensures the legality of civil case trials and facilitates promoting our economic development. All the above-mentioned work should be carried out simultaneously with economic construction. Moreover, we should take account of the whole situation and make reasonable arrangements to prevent paying too much attention to one aspect of work at the expense of other aspects.

Not only that, in order to adapt themselves to the needs of our economic construction in light of the new situation and characteristics of the illegal and criminal activities at present, our political and legal departments should develop, replenish, and perfect their functions. At present the criminal activities in our economic field, the illegal activities of our government administrative departments, and illegal civil activities are often symbiotic phenomena. For example, the criminal activities of passing off fake goods as genuine ones and passing off goods of poor quality as fine quality goods have often been conducted with the tacit consent, support, and even direction of the responsible administrative departments; therefore, the violation of law by the administrative department took place simultaneously with economic crimes, one facilitating the other. At the same time, the large quantities of poor quality fake commodities seriously harmed the interests of a large number of customers and consumers. However, at present in their economic procuratorial work, our procuratorial organs only investigate criminal cases but cannot look into other things.

Obviously, in dealing with activities in which crimes, illegal activities of administrative departments, and illegal civil activities take place at the same time, with this method of concentrating only on investigating crimes is obviously not suited to the reality in our life. If our procuratorates can bring civil suits or take part in bringing civil suits on behalf of consumers and if they are able to lodge complaints against the illegal activities of administrative departments at the standing committees of the people's congresses in the areas concerned, and have these committees handle the cases related to such activities, then they will be able to deal simultaneously with the three kinds of activities, score double achievements with half the effort, and gain even greater social benefit. This is a new issue we must study and solve in the process of establishing our legal system.

At present, some administrative departments and basic-level organizations have abused their official power quite seriously and encroached on the interests of the masses of people and institutions. For example, they have indiscriminately apportioned expenses and imposed fines. To date, the practice of encroaching on the people's interests is not being investigated or curbed until it becomes very serious and widespread. Seldom have we applied the methods of administrative suits to promptly solve disputes concerning the rights and interests between citizens and administrative departments, and between enterprises and administrative departments in order that the problems will not grow and there will not be tension in relations between them. The reason for our failure in this is that, on the one hand, our leading organs are not good at applying legal means to handle problems. What is even more important is that under the influence of feudal traditions, the sense of democracy among our people is not developed, and they do not see the necessity, nor do they dare, to bring lawsuits against administrative departments. Under these circumstances, though some areas have put forth the idea that the citizens and units who have been harmed are entitled to resist the malpractice of indiscriminately apportioning expenses, in fact, this idea cannot actually be carried out. In order to carry out the activities of administrative suits, on the one hand, we should continue to perfect our administrative legislation and thus concretely stipulate the power and responsibility of the administrative departments; on the other hand, there should be necessary state intervention. The organs most suited to representing the state in conducting the intervention are the people's procuratorates. There are stipulations on principle concerning this in the law of organization of the people's procuratorates, but it is necessary to make these stipulations more concrete. Our people's lawyers can also take part in administrative suits as the agents of the parties to the suits. It is necessary for our people's courts to set up administrative courts specializing in administrative suits. Developing various activities relating to administrative suits is not only conducive to protecting the legitimate rights and interests of our citizens, enterprises and institutions, but is also an important aspect of the development of our socialist democracy.

According to the stipulations of our constitution and laws, the organs of state power at various levels are responsible for supervising the implementation of law by their parallel administrative organs. At present, in our government administrative activities, there have been decisions and measures violating our laws, but the organs of state power at various levels have seldom exercised their powers of supervisory to correct these decisions and measures. In order to develop socialist democracy and perfect our socialist legal system, we should first establish and heighten the authority of the people's representative organs -- the organs of state power. We hope that the organs of state power will take the lead in safeguarding the laws, fully exercise the power granted to them by the people and set examples for all state organs, all workers of state organs, and all our citizens.

Our political and legal work should develop as the situation develops. This is not a new issue. As far back as in 1956 when we had basically completed our socialist transformation, the CPC Central Committee pointed out that the stormy period of the revolution was already past, the new relations of production had already been established, and the tasks of our struggle had switched from emancipating the productive forces to protecting social productive forces; therefore, it is necessary to perfect our socialist legal system. Comrade Zhou Enlai even clearly put forth the valuable idea that "the Dictatorship should be continued and the democracy should be expanded." However, because of the influence of the "leftist" thoughts, the party's correct line and the correct ideas inside our party have not been implemented. Through more than 20 years of twists and turns, finally, after the 3d Plenary Session of the 11th CPC Central Committee, we once more began to embark on the healthy route of democratizing our politics and systematizing our democracy; and set out to fulfill the tasks that were put forth in 1956. Now, the Secretariat of the CPC Central Committee has already put forth the task of grasping our political and legal work as a key link. This is a fine opportunity to strengthen and improve this work. We should grasp this fine opportunity, review our experience, emancipate our minds, and carry out necessary and feasible reforms. By so doing we will surely create a new situation in our political and legal work and thus make greater contributions to our socialist modernization.

THEORY OF REFORM POLICY, METHODS VIEWED

HK240825 Beijing LIAOWANG in Chinese No 5, 3 Feb 86 pp 14-16

[Article by Yuan Mo: "A Talk on the Theoretical Preparations for the Reform of China's Economic Structure -- Thoughts on Rereading the 'Decision' of the 3d Plenary Session of the 11th CPC Central Committee"]

[Text] Abstract: The "decision of the CPC Central Committee on reform of the economic structure" is not only of great guiding significance in practice, but is also of far-reaching historical significance and great theoretical significance. It shows that our party is creatively using Marxism to solve practical problems in socialism. Not being restricted by certain theses of Marxism nor fettered by some old and out-dated experiences and framework, the "decision" makes an important breakthrough in theory, proposes a series of new and correct theoretical judgments, and breaks with many traditional and wrong ideas, raising the people's understanding of scientific socialism to a new level and new stage. Since the 3d Plenary Session of the 11th CPC Central Committee, we have made an important breakthrough in the theoretical field, and we can list at least 10 examples of this: We have built up the concept of the socialist commodity economy; the concept of conscientiously following and applying the law of value in the planned economy; the concept of appropriately separating the management power of the state enterprises from their ownership so that these enterprises may become producers of socialist commodities on the basis of independent management and the principle of assuming sole responsibility for their profits or losses; the concept of establishing a price system suitable for the development of the national economy; the concept of allowing some people to become affluent earlier and faster than others so as to attain the goal of common prosperity in a manner of advancing wave upon wave; the concept of long-term and common development of diverse economic forms and ways of management on the premise that the economy characterized by the ownership by the whole people is in the dominant position and the economy characterized by the public ownership is absolutely predominant; the concept of competition on the premise of cooperation; the concept of opening up to the outside world; the concept of encouraging and guiding consumption on the basis of promoting production; and the concept of boldly promoting and using a new generation of people. Of all this, the breakthrough in the theory on the socialist planned economy and commodity economy is especially significant. [end abstract]

"The decision of the CPC Central Committee on reform of the economic structure" adopted by the 14th Plenary Session of the 11th CPC Central Committee is indeed a programmatic document guiding the reform of China's economic structure. It is also appropriate to say that it is a programmatic document guiding us in building socialism with specific Chinese characteristics. It is not only of great guiding significance in practice, but is also of far-reaching historical significance and great theoretical significance. It is a product of combining the basic principles of Marxism with China's concrete realities and an example showing that our party is creatively using Marxism to solve practical problems of socialism. This document could not have been brought into being without the great Marxist courage of our party, without the profound summarization of both Chinese and international experiences of socialist practice, and without the resolute implementation of the only correct Marxist ideological line of emancipating the mind and seeking truth from facts since the 14th Plenary Session of the 11th CPC Central Committee. Through scientifically analyzing the nature of the socialist society and its basic and principal contradictions and conscientiously reviewing both positive and negative experiences of China's socialist construction since the founding of the state, particularly those obtained in the new practice of building socialism with distinctive Chinese characteristics since the 14th Plenary Session of the 11th CPC Central Committee, the "decision" makes a brilliant exposition on the nature, purpose, tasks, guiding policy, and basic methods of the overall reform of China's economic structure, with the focus on cities. It provides us with a distinct and basic blueprint of Chinese-style economic reform. What is more important is that the "decision" is neither restricted by certain theses of Marxism nor fettered by some old and outdated experiences and framework. It has made an important breakthrough in theory, put forth a series of new and correct theoretical judgments, and broken with many traditional and wrong ideas, thus raising the people's understanding of scientific socialism to a new level and new stage. In this respect, we can easily give some examples and can list at least 10 of them as follows. Some of these examples are new judgments made for the first time and some are reiteration and further exposition of some theoretical understandings and policy principles formed step by step since the 14th Plenary Session of the 11th CPC Central Committee.

1. The "decision" breaks free from the traditional idea which sets the socialist planned economy against the commodity economy, and builds up the correct concept that it is necessary to fully develop the socialist commodity economy in the historical stage of socialism.
2. The "decision" breaks with the traditional idea which sets the planned economy against the law of value, and builds up the correct concept that we must conscientiously follow and use the law of value in our planned economy.
3. The "decision" breaks with the traditional idea which mixes up the ownership by the whole people and direct management of the state in the enterprises, and builds up the correct concept of appropriately separating the management power of the state enterprises from their ownership and implementing the principle of separating government administration from enterprise management and streamlining administration and transferring power to lower levels, so that the enterprises can become relatively independent economic entities and producers of socialist commodities on the basis of independent management and the principle of assuming sole responsibility for their profits or losses.
4. The "decision" breaks with the traditional idea which holds that the socialist state should exercise overcentralized control of prices and that prices should be frozen in order to maintain stability, which does not conform to the law of economic development, and builds up the correct concept of gradually narrowing the range of the centralized control by the state and establishing through reform a new price system which can more sensitively reflect the supply and demand of the market and the changes in labor productivity and which can better satisfy the needs of the economic development.

5. The "decision" breaks with the traditional idea which holds that under socialist conditions we can only let all the people become rich at the same time, and reiterates and emphasizes the correct policy decision of allowing and encouraging some areas, enterprises, and people to become well-off earlier and faster than the others so as to achieve common prosperity in a manner of advancing waves.

6. The "decision" further breaks with the traditional idea which one-sidedly holds that the socialist economy should take a unitary economic form, a unitary system of public ownership, and a unitary way of management, and the more it does so the better, and which has been divorced from the development of social productive forces, and reiterates the correct policy of long-term and common development of diverse economic forms and diverse ways of management on the premise that the economy characterized by ownership by the whole people is in the dominant position and the economy characterized by public ownership is absolutely predominant.

7. The "decision" breaks with the traditional idea holding that socialism is incompatible with competition, and advocates and encourages socialist enterprises to carry out proper competition on the premise of mutual support and cooperation.

8. The "decision" further breaks with the long-standing traditional idea of closing the country to international intercourse and reiterates and emphasizes once again that opening up to the outside world is China's basic and long-term national policy and a strategic measure to speed up the construction of socialist modernization.

9. The "decision" breaks with the long-standing traditional idea of attaching importance only to production to the neglect of consumption and emphasizes the necessity of encouraging and guiding the correct development of consumption on the basis of promoting production because only thus can we find new demands and explore new markets, which will become new motive forces for the development of production.

10. The "decision" further breaks with various long-standing prejudices and incorrect traditional ideas on the question of selecting and promoting talent and continues to emphasize the necessity of boldly promoting a new generation of people in accordance with the principle of not demanding perfection and practicing scholasticism, the principle of not being disturbed by factionalism and gossip, and the principle of not being fettered by traditional ideas. In short, it is necessary to break old rules to promote and use talented people. Comrade Deng Xiaoping took this matter most seriously. He once pointed out that all points of the "decision" are very important, but this matter is the most important one, which can be summed up in eight Chinese characters, meaning: Respect knowledge, respect talent. He also pointed out that the key to the success of reform lies in whether we are good at using and promoting talented people. If we fail in this matter, we will be unable to accomplish other tasks due to the lack of organizational guarantee.

What needs to be particularly pointed out here is that the breakthrough made by the "decision" on the question of socialist planned economy and commodity economy has a particularly important significance. Many extremely important theoretical problems, such as whether the socialist economy has attributes of the commodity economy; what is the relationship between the socialist economy and the commodity economy, and its relationship with the law of value; in what positions should the commodity economy and the law of value be put under the socialist conditions, and what is their future and destiny; and should they wither away in the future, and under what conditions should they wither away, and so forth, have not been well solved by Marxism for a long time past when expounding theoretical questions on the socialist economy.

The founders of Marxism once envisaged that socialist revolution would first succeed in a capitalist country with a highly developed commodity economy and that once the initial stage of communism, or socialism, and public ownership of all means of production were realized, individual labor would directly take the form of social labor and the production and distribution of the entire society would be directly planned by the center. Therefore, commodity and money would wither away and the economic form of human society would enter a stage of planned product economy. As a prediction and concept of the future society, this is undoubtedly correct. After Marx and Engels died, most Marxist theorists are still holding that the socialist society is one in which there is no commodity economy. However, history has not been developing the way Marx and Engels had envisaged. Revolution did not first succeed in a developed capitalist country. The practice of all socialist countries emerging since the October Revolution proves that anyone who wants to abolish commodity and money too early and who does not attach importance to the development of the commodity economy is doomed to failure.

Lenin also once held that socialism is a society in which there is no commodity economy. In his "State and Revolution" written before the October Revolution, he said that the socialist society would be a large "conglomerate" and all citizens would be members of this large company. After the revolution, he first led the construction in his country in accordance with the pattern of socialism without commodity economy. In a program of the CPSU drafted under his direction, he put forth an objective of struggle: to abolish commodity and money as soon as possible. We say that Lenin was great simply because as soon as he found this theory inapplicable after practicing it for a very short period, he immediately adopted a new economic policy in 1921 to correct the earlier wrong practice of attempting to abolish commodity production and commodity exchange. As a result, the Russian economy was soon rehabilitated and developed. At that time he pointed out that the economic relationship between the socialist state and the peasants should only be a commodity relationship based on equal exchange, that the state economy should carry out independent business accounting and should assume sole responsibility for its profits and losses, and that the peasants should be allowed to develop free trade. Although Lenin solved this problem in practice he was unable to explicitly expound the question on the relationship between the socialist economy and the commodity economy in theory because he died too soon.

Over a rather long period of time, Stalin pursued a "leftist" economic policy and adopted a method of expropriating the peasants. Of course, at that time, he was unable to correctly solve the problem of the relationship between the socialist economy and the commodity economy both in theory and in practice. But in his later years, that is, in 1952, he wrote a book entitled "On the Question of Socialist Economy in the USSR," in which he answered for the first time the theoretical question of why the commodity economy still exists under socialist conditions and why the law of value can still play its role. This indicates a great progress in his appreciation. In this book he expounded a very important view, that is, in the socialist society, since there still exist two kinds of public ownership, ownership by the whole people and collective ownership, the economic relationship characterized by commodity production and commodity exchange will continue to exist between the state economy and the collective economy and within the collective economy during this period. Thus, the law of value will naturally play its role in a certain sphere.

In theoretical appreciation, Stalin had also made a step forward, but there were still some limitations. Commodity production and exchange were restricted within the limits of relations between the state economy and the collective economy and between various collective economies. At the same time, he held that within the state economy, there was no commodity production and exchange, and that the means of production were not commodities. There were limitations in his theory. For this reason, he never broke from the viewpoint holding that the commodity economy is an alien force to socialist economy, and imposed restrictions on the development of the commodity economy and the law of value while admitting their existence.

Over rather a long period, this theory had a great influence on almost all economic workers and economic theoretical workers in socialist countries including China. This is also why the traditional idea setting the planned economy against the commodity economy has had an influence on our economic work both in theory and in practice for a long time. Based on both internal and external experiences of socialist practice for many years, this "decision" of the central authorities clearly points out that the full development of the commodity economy is an indispensable stage of the economic development of human society and a necessary condition for achieving a high degree of socialization of production and modernization of the economy. It clearly points out that the socialist economy is a planned commodity economy based on the public ownership and that the socialist planned economy must conscientiously follow and use the law of value. This is really an important breakthrough in the theory of Marxist scientific socialism and another great emancipation of mind on the scientific comprehension of socialism.

All major reforms mentioned by the "decision" are closely related to this breakthrough. For example, since the socialist economy is still a commodity economy, our planning must not be too rigid, and we must not mainly rely on mandatory planning. In order to change from emphasis on direct control by means of mandatory planning to emphasis on indirect control by means of guidance planning, it is necessary to conscientiously follow and use the law of value in drafting and implementing plans, and to admit that all enterprises, including the state-owned enterprises, should have relatively independent economic benefits and should be independent economic entities. Since this point is acknowledged, it is also necessary to appropriately separate the ownership of the state-owned enterprises from their management power and adhere to the principle of separating government administration and enterprise management.

In the function of state organs in economic control, the past method of direct control by state organs, which turned enterprises into subsidiary bodies of government administrative organs, should not be adopted any longer; instead it is necessary to encourage enterprises to develop mutual economic relations. The state organs in charge of economic control should emphasize macroeconomic control, management, and regulation as well as on drafting policies and principles and providing all kinds of services to enterprises so as to create favorable conditions for the latter. Only thus can they satisfy the needs of developing the socialist commodity economy in a planned way and enlivening the entire national economy. Basically speaking, when we say that it is necessary to smash the old pattern characterized by rigidity, stagnation, and separation from the outside world and to establish a new pattern full of vigor and vitality, we actually mean changing our past practice of attempting to establish the pattern of the planned product economy into an effort to establish the pattern of the planned socialist commodity economy on the basis of the public ownership.

In the preceding period, as certain new problems emerged in our practical economic life, including our reform, some comrades held that all these problems were results of our lack of basic theoretical guidance and theoretical preparations for the reform. In my opinion, this viewpoint is open to question and does not hold water, because in this period, the central authorities, through reviewing the experiences of our socialist practice, have already made the "decision," which is rich in theoretical content, raising the people's scientific comprehension of socialism to a new level by making an important breakthrough in theory. Moreover, this "decision" has been promulgated and made known to the whole party and the whole country and has been implemented in an all-round way for a long time. If the above-mentioned viewpoint refers to the fact that although the central "decision" has made necessary expositions and scientific judgments on some important theoretical and practical problems, it still needs to be further deepened in both recognition and practice by us, especially by our theoretical workers, in accordance with the principle of integrating theory with practice, and it still needs to be expounded more systematically and completely, so that the broad masses of cadres and people may grasp its spirit better.

If the viewpoint refers to the fact that although the central "decision" has made an important breakthrough in theory, it is still not the end of the people's appreciation of scientific socialism, and the Marxist theory still needs to be continuously enriched and developed in practice, then it is another matter, and it is undoubtedly correct. In other words, our economic workers and economic theoretical workers, as well as all comrades resolved to conduct reforms, should comprehend our glorious and arduous tasks in this way.

PRICE STABILIZATION PROGRESS, PROSPECTS TIMED

HC211602 Beijing SAN YUE TAN in Chinese No 1, 10 Feb 86 pp 3-9

[Article by the policy study office of the State Administration on Commodity Prices: "Prospects of the Price Situation in Our Country in 1986"]

[Text] The State Council has decided that in 1986 we will not make any major move in the price reform in our country but will mainly consolidate, digest, supplement, and improve reform measures adopted last year, and will strive to maintain basic stability in the overall level of market prices. There are no grounds for rumors that prices of commodities will rise.

Last year we took a relatively big stride in the price reform in our country. We have basically straightened out problems in the purchase and marketing prices of grains in the rural areas, abolished the system of a state monopoly over purchase and marketing of grains, cotton, and oils, readjusted the policy for the purchase and marketing of pigs, gradually removed restrictions on the prices of nonstaple, fresh, and live foods, such as pigs, vegetables, and so on, and readjusted charges for short-distance railway transportation. Regarding the reform of the prices of capital goods, we have made profitable explorations. We have also made further progress in removing restrictions on the prices of small commodities. On the whole, these reforms are making headway smoothly and have produced marked results. They have played and will continue to play a positive role in promoting the development of production and in invigorating circulation. In the course of price reform last year, due to various reasons market prices rose by a relatively big margin and the state adopted various effective measures to control these increases. At the beginning of the fourth quarter, market prices gradually became stabilized.

Prices have a direct bearing on people's lives, and the masses are very sensitive to them. To try our utmost to stabilize market prices at their current level is an important task in our economic work at present. In order to keep market prices basically stable this year, we must concentrate our efforts on handling major problems. First, we must continue to strengthen macroeconomic control, strictly control the scale of investment in fixed assets, make efforts to increase commodities which are in great demand in order to meet market needs, actively withdraw currency from circulation, and reduce pressure on the market. Second, we must resolutely stabilize market prices in large and medium cities. This is the key to stabilizing market prices throughout the country. Third, we must concentrate our efforts on stabilizing the prices of vegetables, meat, eggs, and other nonstaple foods. Once the prices of nonstaple foods, which have a direct bearing on the interests of the masses, are stabilized, there will be a firm foundation for stabilizing market prices. To be specific, the following measures should be adopted:

First, we must stabilize vegetable prices. Last year vegetable prices rose too much. We should endeavor to lower them. Because of the rise in vegetable prices last year, the peasants' enthusiasm for growing vegetables has been aroused, and the sales volume of vegetables will increase this year. With the experiences and lessons in readjusting vegetable prices last year, various localities will be able to improve their work this year.

Therefore, it is possible to stabilize vegetable prices this year. The key to stabilizing vegetable prices is to ensure the total area of land for growing vegetables. We should adopt necessary economic and administrative measures to maintain a sufficient area of land for growing vegetables on the outskirts of cities and gradually form a rational layout with the nearest outskirts as the main body, the farther outskirts as the supplement, and other localities as reserve sources of supply. State-run vegetable companies in large and medium cities must handle most of the sources of popular vegetables and stabilize vegetable prices by adjusting the volume of purchase and marketing.

Second, we must stabilize the price of pigs. Last year restrictions on the prices of pigs were removed and the purchase and marketing prices of pigs rose by 10 percent, thus promoting the pig production. By the end of last year, the number of pigs in stock had increased by 5.8 percent and the number of pigs sold had increased by 4.5 percent. This shows that there is a substantial material basis for stabilizing the price of pigs. The key to stabilizing the price lies in promoting a steady growth of pig-breeding. Existing measures to assist pig-breeding should remain. State-run food companies should constantly improve the purchase contract system, keep sufficient pigs in stock, and energetically take part in market regulation by making full use of economic measures authorized by the state in order to stabilize the purchase and marketing prices of pigs. We must gradually make flexible seasonal price differences, differences in the prices of frozen and fresh pork, and differences in the prices of fat and lean pork, and appropriately increase the locality price differences between production areas and marketing areas according to the situation of production areas and marketing areas of different localities. If differences between purchase and marketing prices are too big or if price differences between live pigs and pork are too big, they should be narrowed. We must guard against the irrational phenomenon that income from killing a pig is more than that from raising a pig, in order to stabilize the market price of pigs.

Third, we must stabilize the price of eggs. In the past few years, the production of hens eggs has been relatively fast. Last year, the output of hens eggs was 21.1 percent over the previous year and the percentage of eggs sold as a commodity increased even more. However, because state-run commercial enterprises did not energetically purchase them during the peak period, they were not able to keep the price down during the off-season, so the price rose too much. We should draw a lesson from our experience last year. During the peak period, we should fix a minimum price, and state-run commercial enterprises should energetically purchase eggs and keep them in stock so as to protect the peasants' enthusiasm for production. During the off-season, we should maintain greater seasonal price differences in order to ensure market supply.

Fourth, we should keep the prices of manufactured consumer goods basically stable. We should, on the whole, stabilize the prices of commodities which are fixed by the state or by enterprises under the guidance of the state. We should also strictly control necessary readjustment of irrational prices which do not have much influence on market prices as a whole. If the price rise of raw materials has increased industrial production costs, enterprises should first strive to tap their own potential and absorb such an increase. In the meantime, we should adopt various measures such as expanding sales by the enterprises themselves, reducing links in circulation, adjusting rates of profit among various commercial enterprises, appropriately reducing taxes, and so on in order to cushion such a price rise. After removing restrictions on prices of small commodities, their prices may rise or fall according to the situation in supply and demand. However, we should adopt necessary managerial measures to prevent their prices from rising too much.

Fifth, we should strictly control the prices of agricultural capital goods. We should continue to give subsidies for prices of agricultural capital goods. Prices of agricultural capital goods fixed by the state should not be raised, and the scope of market regulation for them should not be expanded. The prices of chemical fertilizer produced by small plants should be reduced appropriately.

Sixth, we should strengthen guidance and management of prices at country fairs. At present, about half of the non-staple foods consumed by city residents are bought at country fairs. In order to protect the interests of consumers, we must strengthen management of prices at country fairs, the prices of self-employed businessmen in particular, and must prevent people from seeking exorbitant profits. If necessary, we should set an appropriate upper limit for import items.

Seventh, we must continue to strengthen supervision and inspection of prices. We should mobilize all forces of the society, integrate supervision by professional personnel with that by the masses, establish and perfect a supervisory network, resolutely stop practices of raising prices at random or collecting charges without sufficient reason, and protect the interests of consumers.

At present, a positive momentum has appeared in the national economy. It is possible for us to stabilize market prices this year. However, we must also clearly see that some hidden factors causing a continuous rise in market prices still exist. For example, the scale of investment in fixed assets is still too big and the amount of currency in circulation is still too great. Repercussions of price rises last year and some chain reactions of price reform will still have an impact on market prices this year.

Some producers and businessmen will still raise prices under various pretenses. Therefore, the task of stabilizing market prices is very arduous this year; we should not lower our guard but should make greater efforts to do our work better.

Stabilizing market prices is an important issue having a bearing on social stability and unity; it is responsibility shared by various localities and departments. So long as governments at various levels strengthen leadership and various departments cooperate closely and make overall arrangements for work in this aspect, we shall certainly be able to keep market prices basically at the same level.

TIAN JIYUN ADVOCATES PRODUCTION PRICE REFORMS

02220612 Beijing XINHUA Domestic Service in Chinese 1422 GMT 21 Feb 86

[By HENNING HIRAO reporter Jiang Xia and XINHUA reporter Jiu Yuan]

[Text] Beijing, 21 Feb (XINHUA) -- Tian Jiyun, vice premier of the State Council, told the mayors of 15 cities attending the vegetable work meeting on 19 February: It is necessary to practically and seriously study new situations and problems in reform of vegetable purchasing, marketing, and pricing. It is also important to review new experiences, promptly solve new problems, improve and gradually perfect reform measures, as well as consolidating and developing successes.

Reviewing the reform of vegetable purchasing and marketing in 1985, Tian Jiyun said: Practice in the various localities show that the road of reform is correct and the trend of development sound. Currently, problems still exist in some cities. These are work problems associated with progress. We must have a firm conviction and be unswerving in carrying out this reform. We must stick to the conviction that the road taken is correct and that existing problems can be solved. City leaders must seriously conduct investigations, study and promptly solve problems discovered, systematically coordinate reform measures and perfect reform in the course of implementation.

In view of its implementation in 1965, Tian Jiyun set specific demands for further improving reform of the vegetable purchasing and marketing system, and vegetable production and supply work. First, it is necessary to have rational distribution in vegetable production. Various cities should thoroughly implement the policy of "relying on the outer suburbs, with outskirts and other parts of China as subsidiary" in line with their own conditions. At present, a certain area of vegetable plots must be guaranteed in the outer suburbs of large cities; and the purchase and marketing relations with the outskirts and other parts of China should be improved by signing contracts. It would be better to ensure a basic balance between vegetable production and marketing throughout the year, or to have vegetable supply slightly more than demand. Thus, not only would the interests of the producers be safeguarded, but that of the consumers will be protected as well.

Second, the principle of encouraging state units, collectives, and individuals to market vegetables must be adhered to. State units must neither monopolize the marketing of vegetables nor abandon trade outright. In large and medium-sized cities, the state-run commercial departments must handle certain varieties and quantities of vegetables for price stability. At the same time, they must organize and assist collectives and individuals in marketing vegetables. They must fully utilize their qualified personnel, funds and various facilities, and improve a range of services from providing information, science and technology, supplying the means of production, undertaking processing, and engaging in purchasing and marketing. The state-run commercial departments must improve service work regarding marketing of vegetables and other nonstaple foods. Vegetable stores must not be turned into department stores or stores for selling household electrical appliances. Under this precondition, we can open new services to improve economic returns. The commercial departments must review experiences in this respect.

Third, we must actively develop lateral cooperative ties and establish various forms of joint enterprise for the marketing of vegetables and nonstaple foods. We can further emancipate our minds in this regard. Joint enterprises should be able to maintain their vitality as long as the principle of equality, mutual benefits, and common development is adhered to. The various city governments must render support and assist in creating the necessary conditions for the growth of such enterprises.

Fourth, we must learn to employ economic levers and administrative means to guide vegetable production and marketing. The supply of grain, edible oil, and means of production subsidies for lower vegetable prices, industrial production, subsidizing vegetable production, credit loans, taxation, and other preferential treatment for vegetable farmers must be articulated with vegetable production, delivery, and marketing. Stringent regulations must be drawn up to govern the requisition of vegetable farms. Scientific vegetable farming must be supported by policies in order to raise output and improve the quality of vegetables, and to develop pollution-free vegetable production.

Fifth, flexibility and control must be closely integrated. To adopt flexible policies does not mean to totally abandon control. To exercise control does not mean to return to the rigid control measures of the past. We must study management in light of the new situation. In view of China's vast territory, the existence of differences in different localities is inevitable. The degree of flexibility and the forms of production responsibility must be determined according to local conditions.

Tian Jiyun expressed the hope that the various cities would strengthen leadership over vegetable work. He said: The vegetable problem is by no means a minuscule one. The masses take the "vegetable basket" seriously. It is imperative to pay close attention to the problem. Party and government leaders must either personally take charge of the work or assign someone to do so, institute responsibility systems, and strive for practical results.

MINISTRY STREAMLINES TECHNOLOGY IMPORT PROJECTS

6K250941 Beijing JINGJI RIBAO in Chinese 17 Feb 86 p 1

[Report by Mao Tie: "Ministry of Machine-Building Industry Cancels 88 Items From Import Plans"]

[Text] While amending its pace in capitalizing foreign funds and introducing advanced technology and equipment from abroad, the Ministry of Machine-Building Industry has paid attention to the planning of the whole trade, checking the introduction of technological items of the same category from multiple sources, and avoiding waste. In 1985, this ministry canceled 88 scheduled import projects either because they were duplicate import items or because of other reasons.

In late 1984, the Ministry of Machine-Building Industry convened a conference in Shenzhen, on the machine-building industry for special economic zones and open coastal cities, drawing up a preliminary plan on the import of foreign funds and technology for 1985-1990. Again, in 1985, the ministry made practical readjustments and thus reconfirmed some scheduled projects in accordance with the principle of "four unified arrangements." These are unified arrangements based on a comprehensive consideration of both long-term and annual plans, on the integration of technology import and technical transformation, on the integration of capitalization of foreign funds and import of technology, and on the integration of technology import and expansion of exports. In 1985, the ministry ratified more than 150 project proposals, which accounted for 51.6 percent of the total number of scheduled projects. At the same time, 88 scheduled projects of technology imports were canceled due to various reasons -- some of them were irrational duplicate import projects; The technology that some projects aimed at was found to be already available, or likely to be substituted with similar technology at home; there was insufficient grounds for the feasibility of some projects; some projects could be merged; and so on.

In drawing up and implementing the import plan, the Ministry of Machine-Building Industry has paid attention to balancing the relationship between the part and the whole; emphasized overall balance; provided trade-by-trade guidance; made rational overall arrangements; clearly set the main targets; and concentrated limited funds on major and pressing projects. For example, Shaanxi and several provinces, prefectures, and counties applied to start fiber optics and cable projects, but the Ministry of Machine-Building Industry found by survey that the state did not have enough funds and technical resources to initiate these similar projects in many places; the production of fiber optics and cable involves relatively advanced technology and considerable funds. Based on an appraisal of the proposals received, the ministry chose Xian electric cable plant, which was to cooperate with a foreign business firm. So the plant and the foreign firm have concluded a joint venture to initiate the project. Since this arrangement has enabled the enterprise to utilize foreign funds on the one hand and, on the other, helped it to carry out technical transformation by importing advanced technology, the Ministry of Machine-Building Industry has not arranged for other areas to start projects of the same type.

Some coastal cities have proposed a large number of projects, including the production lines for cars, motorcycles, refrigerators, and so on. In view of these circumstances, the Ministry of Machine-Building Industry has made readjustments and cut some projects. The ministry has also assisted these coastal cities with poor basic conditions for developing machine-building industry, in establishing ties and entering into cooperation with enterprises in the hinterland; helped to coordinate those enterprises which planned to import technology of the same categories, ranging from engineering machinery to rubber sealing techniques; organized different enterprises to jointly import technology, and thus avoided waste.

WEN WEI PO REPORTS CHANGES IN CULTURE MINISTRY

HK240849 Hong Kong WEN WEI PO in Chinese 14 Feb 86 p 3

[Report: "Ministry of Culture To Make Relatively Big Readjustment; Gao Zhanxiang To Become Vice Minister in Charge of Routine Affairs (Chang Wu Fu Su Zhang 1603 0523 0479 6752 7022)"]

[Text] According to informed sources in Beijing and Shijiazhuang, Gao Zhanxiang, permanent deputy secretary of the Hebei Provincial CPC Committee, has been transferred to be vice minister of culture in charge of routine affairs, and he will take office at the Ministry of Culture a few days from now.

Gao Zhanxiang, 52, was a CYL grass-roots cadre in the past. After the "Cultural Revolution," he was successively appointed secretary of the CYL Central Committee and deputy secretary of the Hebei Provincial CPC Committee.

The Ministry of Culture is one of the few departments of the State Council whose leading bodies have not been reorganized so far. It is said that with the appointment of Gao Zhanxiang, the central authorities will also make other personnel changes in the Ministry of Culture and will readjust its organizational structure. The film bureau has been transferred to the jurisdiction of the Ministry of Radio and Television.

JOURNAL DISCUSSES ESTABLISHMENT OF NEW PROVINCE

HK211441 Hong Kong KUANG CHIAO CHING in Chinese No 161, 16 Feb 86 pp 17-19

[Article by Liang Chi: "Sanxia Province Seems Ready To Come to Life" -- first paragraph published in boldface]

[Text] THE CHANG JIANG GORGES ARE WELL-KNOWN THROUGHOUT THE WORLD FOR THEIR BEAUTIFUL SCENERY AND HISTORICAL SITES AS WELL AS RICH HYDROPOWER RESOURCES. THERE IS A DROP OF 50 METERS WITHIN THE 400-LI-LONG RIVER SECTION FROM THE GUTANG GORGE TO THE XILING GORGE. ACCORDING TO EXPERTS ESTIMATES, THE CHANG JIANG GORGES HAVE A CAPACITY OF OVER 10 MILLION KILOWATT HOURS OF HYDROPOWER. THE CHANG JIANG GORGES, IF EXPLOITED AND FULLY UTILIZED, WILL INFINITELY BENEFIT FUTURE GENERATIONS.

During the early period of the century, Sun Yat-sen was the first to advance the tentative idea of exploiting the hydropower resources of the Chang Jiang Gorges in his "General Plan for Building the Country." In order to execute Sun Yat-sen's plan, the National Government Construction Committee sent a team led by Yun Chen, engineer of the construction committee and concurrently head of the power committee, to conduct a survey of the Chang Jiang Gorges in 1932. The team drafted a report and planned to build a 13-meter-high hydropower station with an installed capacity of 100,000 kilowatt hours of power. An investment of 800 million silver dollars was needed for the project.

During the mid 1940s, (Sarki), a noted U.S. expert in dam designing and chief engineer of the Reclamation Bureau of the U.S. Department of the Interior, came to China to conduct a survey of the Chang Jiang Gorges at the invitation of the Chinese Government. He took more than a month to write his "Preliminary Report on the Yangtze Gorges Plan." In the spring of 1946, the Natural Resources Committee of the National Government signed an agreement with the U.S. Reclamation Bureau on jointly designing the Chang Jiang Gorges project. The design work was suspended due to the outbreak of the civil war in the following year.

"Sanxia Province" Seems Ready To Come to Life

The CPC began to place the exploitation of Sanxia's hydropower resources on its agenda after the 1950s.

Mao Zedong, Zhou Enlai, Liu Shaoqi, Deng Xiaoping, Hu Yaobang, Zhao Ziyang, and other leaders made successive inspection tours of the area. Over the past 30 years or so, around 10,000 experts in hydrology, geology, and engineering have gone to the Chang Jiang Gorges from all over the country to conduct meticulous surveys and research in engineering geology, hydrogeology, and construction technology, which provided a vast amount of data for the project design work. It was not until recent years that the large-scale Sanxia key water control project began to take shape. In April 1984, the State Council approved the "Feasibility Research Report Concerning the Sanxia Key Water Control Project." By the end of 1984, a preparatory office was set up in Yichang for the Sanxia Project Exploitation Corporation. Consequently, more than 1,000 workers camped at the Sanxia dam worksite and began to repair highways, set up electric circuits, level land, and do other preparatory work.

The Future Sanxia Dam

The future Sanxia dam, 1,924 meters in length, will be located at the Zhonghao Dam in the middle reaches of the Xiling Gorge. According to the design, navigation buildings will be set up on the left bank. There will be double lock gates for ships to use. The lock gate, 280 meters long, 34 meters wide, and 5 meters high, will be more or less like the large lock gate of the Gezhou dam. The riverbed will serve as an overflow dam for draining floods. Two factory buildings for the power plant will be built on the west side of the dam. There will be 16 water turbogenerators installed in the power plant, each with a capacity of 900,000 kilowatt hours. The total installed capacity will be 13 million kilowatt hours. This project will be larger than the Itaipu hydropower station -- the largest of its kind in the world jointly built by Brazil and Paraguay. The entire project, constructed in different phases, will be completed in 17 years. In other words, the completion of the Sanxia water control project will go beyond the year 2000.

The Blueprint of the CPC

According to the blueprint of the CPC, the Sanxia water control project, upon completion, will play the role of preventing floods, generating power, and providing shipping convenience.

The plains in the lower middle reaches of the Chang Jiang have more than 9,000 sq of cultivated land and a population of over 75 million. There are more than 10 large and medium-size cities including Wuhan and Yichang along the banks of the river, which are protected by the 30,000-km-long dike. If the dike collapses, it will lead to grave consequences. A disastrous flood took place in the lower middle reaches of the Chang Jiang in 1954 which inundated more than 4,700 sq of farmland and affected 123 counties with a population of over 18 million, causing a loss of billions of yuan. Although the floods took place mainly in the lower middle reaches, they originated from the rivers beyond the Chang Jiang Gorges. If a Sanxia dam is built here, it will play the role of retaining floodwater, ensuring the safety of the Jing Jiang dike, and preventing disastrous floods.

The Sanxia water control project is located at the place where "transportation of coal from north to south" and "transmission of electricity from the west to east" converge. Shanghai, Beijing, Guangzhou, Chongqing, and other cities are all within the radius of its power transmission. The annual average generated energy of this hydropower plant will be 65 billion kilowatt hours, equivalent to the total amount of hydropower generated by the whole country in 1981 or five times that of the Gezhouba hydropower station. The completion of the project will help put an end to the situation of power shortages in east and central China and alleviate the strain on energy in the mainland.

A High Price To Pay

Another major benefit of the project is shipping. The Chang Jiang is the largest inland shipping artery. The total length of the river, from Yibin to its mouth, is 2,800 kilometers. It is ice-free and ships can pass the year round. However, the shoals and rapids of the river have made shipping extremely difficult, thus increasing transportation costs. After the completion of the project, the shoals and rapids of the river will be inundated and the 500-km-long dam area will become a calm deepwater channel. Regulated by the Sanxia and Gezhou dams, respectively, the channel beyond Yichang will be unimpeded. Consequently, it will enable 10,000-ton ships to sail from the mouth of Chang Jiang direct to Chungking.

In addition to huge investment, a high price is to be paid for such a grand water control project. Take the following as an example. Sanxia, China's famous scenic spot, is well-known for its "magnificent, wonderful, perilous, and lovely scenery." If a dam is built and the water level is raised, some cultural relics and historical sites will be submerged. Some ancient buildings will have to be rebuilt or moved to other places. When the water level is raised, the wonderful views of the gorges and rapids will no longer have their original graceful bearing. Nevertheless, some people hold that the project will have both advantages and disadvantages for Sanxia's scenery. Some scenic spots unattainable in the past will become visible gradually. Other scenic spots such as Fengdu, the city of ghosts, the twelve peaks of Wu Shan, Qu Yuan's native place Zigui, Shaojun Village, Huangling Temple, and Sanyou cave will be more charming and elegant. Instead of acting rashly, it is necessary to make a meticulous study of both the advantages and disadvantages of the project and the work concerning removal of the historical relics.

Take Precautions Against Disasters, Serious Consequences

Furthermore, the building of the Sanxia dam may also bring about various consequences. If precautions are not taken, it will lead to disastrous consequences and even calamities. There are lessons that can be drawn from the examples of other countries. Owing to crude design, a large dam built in Italy collapsed in the 1960s, killing several thousand people. The large irrigation network established by India in valleys in the 1950s later turned tens of thousands of hectares of farmland every year into alkali soil and wasteland. Several years after its completion, the large dam built by Egypt on the Nile changed the natural ecology and turned farmland into wasteland. While sea-water flowed backwards to the delta in the lower reaches of the Nile, the upper reaches were choked with silt. As the channel became narrow and shallow, it was very difficult for ships to pass through. The output of fish also dropped due to the reduction of organic sediment at the mouth of the Nile. Lessons should be drawn from these examples. Before carrying out a project, it is necessary to conduct feasibility studies, work out overall plans by pooling the wisdom of the masses, and diminish risks to the minimum. Precautions must be taken to prevent future generations from sustaining losses and suffering disasters. The majority of the people hold that the advantages of the Sanxia water control project outweigh the disadvantages. As long as the plans are worked out meticulously and the disadvantages are eliminated, the project is worth carrying out with circumspection.

Record-Breaking Migration

Migration is another problem that should be solved in carrying out the Sanxia project. According to the tentative plan for the dam, hundreds of thousands of people will have to move from the dam area to other places. This will be a record-breaking migration in the building of water control projects in China over the past 2,000 years or so. Success in resettling these people will have an important bearing on the building of the Sanxia project.

The Capital of Sannia Province Will Be Yichang

These people are distributed in Sichuan and Hubei, respectively. A great deal of work should be done to resettle them appropriately. The magnitude of the job demands a strong body at the center to make all the arrangements in a planned and unified way. To this end, the CPC authorities concerned planned to set up a Sannia special zone or a Sannia administrative region. According to the latest news, the CPC has decided to establish a Sannia Province. The province, covering an area of 84,000 square kilometers, the smallest among China's provinces, will be located in the upper middle reaches of the Chang Jiang, that is, between Daba and Wulingshan. The province, with a population of 18 million, will govern 30 counties. The capital of the province will be Yichang.

It has been reported that the authorities have attached great importance to the resettlement question. Li Peng, vice premier in charge of energy building, proposed the following idea: "Turn the resettlement work into exploitative work. Organize the migrants to make full use of the advantages of the Sannia area to develop commodity production, specialized households, and town and township enterprises, and take the road to prosperity through hard work." Although the area of Sannia is limited, it has abundant natural resources. Apart from hydropower, it has considerable reserves of iron ore, phosphate, coal, and gas. Furthermore, Sannia has exceptional advantages in developing tourism. During the Seventh 5-Year Plan, a number of key construction projects including synthetic ammonia, ferroalloy, and cement plants will be carried out and a large airport will be built in Yichang.

If Li Peng's proposal is put into effect and the state's compensation funds to resettle the migrants are used as an investment for exploitation, it would indeed benefit both sides. Besides ensuring the smooth construction of the Sannia project, the migrants can be properly resettled. Moreover, a number of enterprises and factories can be set up which will advance Sannia Province. Naturally, special attention must be given to the steps, progress, measures, and methods so as to prevent losses due to lack of preparation.

SHENZHEN TO REDUCE INFRASTRUCTURAL DEVELOPMENT

HK210528 [Ying Kong HONG KONG STANDARD in English 21 Feb 86 p. 24]

[Text] China's fastest growing economic region, Shenzhen, will spend 40 percent less on infrastructural development this year, despite Beijing's promise of continuing support. Shenzhen's mayor, Mr Li Hao, revealed the cut yesterday when he met the press at a spring festival reception in the city. It was his first meeting with the press since his appointment five months ago. Mr Li did not offer any explanation, but said the cut will be in line with Beijing's attempts to cool down the country's overheated economy. This year, 1.65 billion yuan will be spent on the infrastructure. The figure for the past year was 2.74 billion. But the amount does not take into account investments by foreign businessmen or by the mainland's manufacturing units, which produce goods for export to the zone. Mr Li emphasized that the city has already gained continuous support from the central authorities after a review of the situation and accomplishments over the past six years was made. The special economic zone was established in 1979.

An influential Chinese leader, who was not named, reportedly reaffirmed the open policy of the zone and gave it the green light. The fate of the zone was once in doubt when Mr Deng Xiaoping hinted that it had failed. The spokesman responsible for industries, Mr Ou Hua, revealed that Beijing would reduce taxes levied to manufacturing industries if they establish units in the zone and make products for export. But he did not say when the measure would take effect. Mr Ou said the key to wooing foreign investors was to improve productivity.

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